higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

FREIGHT LOGISTICS
NQF LEVEL 2

(11020252)

10 November 2022 (Y-paper)
13:00–16:00

This question paper consists of 7 pages.

231Q1N2210

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TIME: 3 HOURS
MARKS: 100

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each question on a new page.
5. Use only a blue or black pen.
6. Write neatly and legibly.

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SECTION A

QUESTION 1

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (1.1–1.5) in the ANSWER BOOK.

1.1 All companies and institutions that have more than one employee do not need any structure of organisation.

1.2 One of the careers in transport and logistics is sales management.

1.3 A cost-to-income ratio shows how efficient a company is in minimising cost while increasing profits

1.4 Customer service is an essential part of business growth

1.5 Technical maintenance department's main goal is to control procurement

(5 × 1) **[5]**

QUESTION 2

Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–F) next to the question number (2.1–2.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	The process of taking stock and placing it in the allocated storage area	A	inter-modal transport
2.2	Any amount that must be paid to buy something	B	turn-over
2.3	Using more than one mode of transport for a journey	C	transport manager
2.4	The operation and support of mobile equipment in the movement of goods and people	D	cost
2.5	The sum of money that an organisation or company makes from selling products or services during a specific time	E	transport operations
		F	binning

(5 × 1) **[5]**

QUESTION 3

Define the following terms. Write only the word or words next to the question number (3.1–3.5) in the ANSWER BOOK.

3.1 Freight Logistics

3.2 Break even

3.3 Demand

3.4 Salvage

3.5 Capital

(5 × 2) **[10]**

TOTAL SECTION A: 20

SECTION B

QUESTION 4

4.1 Read the case study below and answer the questions.

A National wholesale distributor

A national wholesale distributor of heating and air conditioning supplies was struggling to manage its complex supply chain and maintain high levels of customer service, which is a top priority. With over 20 decentralised sites spread across five states, communicating delivery needs between sales staff, professional drivers and each distribution centre was creating challenges.

Additionally, the distribution centres had no set routes, making planning difficult. Compounding the problems, Department of Transportation violations were impacting the distributor's ability to meet its customer`s delivery needs and creating liability concerns.

The distributor turned to Penske Logistics to help streamline and improve its deliveries to warehouses, houses, job sites, apartments, and businesses. The partnership has allowed the distributor to improve customer service, reduce the size of its in-house fleet and tap into dedicated capacity. Utilizing Penkse's expertise also enable the distributor to focus on its core business rather than transportation concerns.

Managing costs

The distributor's parent company uses transportation-as-a cost-of-sales as a metric to compare business units, so managing costs is critical. ClearChain technology allows Penske's customers to centralize their data, giving them the ability to see and understand their total transportation spend.

The technology has also helped optimize the network and streamline deliveries, driving overall cost savings. Moreover, the distributor saw added value in efficient, professional drivers that arrived at its customer`s sites on time.

As part of its communication, team members from Penske Logistics and the distributor meet regularly to discuss metrics, data analysis, priorities and plans. The increased visibility enables data-driven decision making, and regular meetings given both parties clear direction for the future.
'We're an extension of the customer's business. They must feel like we are representing their business and not our own.

[Source: *www.penske .com*]

4.1.1 From the scenario quote a statement that shows that Penske outsources some of their operations. (2)

4.1.2 Mention the department that is outsourced by Penske as per the scenario. (1)

4.1.3 Discuss FOUR importance of warehousing for Penske as a distributor. (4 × 2) (8)

4.2 With the growth in demand for the Penske warehousing services, Penske has decided to open another warehouse in a different province. They consult you as an employee of the organisation to assist in the plant selection.

4.2.1 Discuss THREE factors that Penske needs to consider when selecting a plant. (3 × 3) (9)

4.2.2 Draw an organisational structure for Penske's new warehouse. The structure should consist of the following job titles:

- HR manager
- Operations controller
- Marketing clerk
- Warehouse manager
- Operations Manager
- Packer
- Warehouse clerk
- Human Resources officer (10)

4.2.3 List THREE documents that may be used during the receiving process (3)

[33]

QUESTION 5

Read the scenario below and answer the questions.

INCOME STATEMENT OF PENSKE LOGISTICS FOR THE YEAR ENDING 31 DECEMBER 2016.

Sales		R3000 000
Cost of Sales		R600 000
Gross Profit		**5.1.1**
Operating expenses		**5.1.2**
Insurance	R30 000	
Telephone	R45 000	
Fuel	R80 000	
Manpower costs	R170 000	
Net Profit	**5.1.3**	

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5.1 Work out following items from the income statement above and show all your calculations.

5.1.1 Gross profit of Penske logistics for the year ending on the 31 December 2016

5.1.2 Gross operating cost of Penske logistics for 2016

5.1.3 Net profit of Penske

(3 × 3) (9)

5.2 Explain how Penske can reduce fuel and toll costs through route planning. (4)

5.3 Give THREE possible income streams of related to freight logistics. (3)

5.4 Name ONE industry player for each mode of transport. (5)
[21]

QUESTION 6

6.1 State FIVE main objectives of logistics. (5)

6.2 Give THREE main aims of material handling. (3 × 2) (6)

6.3 Explain THREE reasons why organisations do inventory auditing. (3 × 2) (6)

6.4 Discuss THREE items that are important when binning products in a warehouse. (3)

6.5 Explain THREE order processing tasks performed during the following phases

6.5.1 Routing

6.5.2 Distribution

6.5.3 Invoicing

(3 × 2) (6)
[26]

TOTAL SECTION B: 80
GRAND TOTAL 100

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